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12 March 1959

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# CENTRAL INTELLIGENCE BULLETIN



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## CENTRAL INTELLIGENCE BULLETIN

12 March 1959

## DAILY BRIEF

## I. THE COMMUNIST BLOC

Watch Committee conclusion: No Sino-Soviet bloc country intends deliberately to initiate direct military action against US forces abroad, US allies, or areas peripheral to the Orbit in the immediate future.

*NO*  
Khrushchev continues to reiterate his intention to conclude a peace treaty with East Germany and to turn over Berlin access controls to the East Germans. Although the Soviets are making preparations necessary to the turnover, which could be done with little or no warning, available evidence does not indicate that they intend to do so in the immediate future. The eventual possibility of armed conflict between Western forces and Soviet-East German forces is inherent in the Berlin problem because of miscalculations which could arise.

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Poland: In his seven-hour speech opening the Third Polish party congress Gomulka backed Soviet policy on Germany and Berlin and accused the Western powers of endangering the peace by their refusal to agree to Soviet proposals. He expressed the hope implicitly that the Yugoslav party might return "to our movement." His remarks on internal affairs indicated his intention to continue his relatively moderate policies on such matters as the church, intellectual freedom, and agricultural collectivization.

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*OK*

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Taiwan Strait: [The Chinese Nationalists appear reluctant to reduce the size of their armed forces on the Chinmen Islands in accord with an agreement reached between Chinese and American military officials last November and, despite prodding, have failed to produce any plan for the reduction. The agreement calls for the removal of 15,000 men from a total of approximately 86,000 by the end of June, but official figures disclose a reduction to date of only 530 men. Some American military officials believe that this figure is suspect and that the size of the garrison has actually increased.]

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## II. ASIA-AFRICA

*HJD*  
Watch Committee conclusion--Middle East: Situations susceptible of direct exploitation by Sino-Soviet bloc hostile action which would jeopardize US interests exist in the Middle East, particularly in Iran and Iraq. The situations in the area remain precarious, but a deliberate initiation of large-scale hostilities is unlikely in the immediate future.

Iraq: The apparent failure of the revolt in Mosul further removes checks to the drift of Iraq toward Communist control.

Jordan: The absence of King Husayn from Jordan and the scheduled departure of Prime Minister Rifai on 17 March provide opportunity for political competition among members of the government remaining in Amman and for coups by opposition elements.

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*OIC*  
UAR-USSR: Nasir's Damascus speech on 11 March, in reaction to events in Iraq, contained the strongest charges to date against Arab Communists. He termed them "agents" who "work for the foreigners" and expressed determination to continue his anti-Communist posture "regardless of the harm which may befall us." His renewal of attacks on the Communists may bring a sharp reaction from Moscow.

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*HJ*  
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*OK*

Sudan: [The immediate danger of a clash between Ansar tribesmen and Sudanese Army units has been reduced. On the morning of 10 March, ] 25X1  
 the leader of the Ansar sect told the 1,000 tribesmen who had gathered in Khartoum to go home. The new Abboud government remains divided on several scores. Pressures from army, political, and religious factions make further changes almost inevitable. These changes might include the retirement of Abboud himself.] 25X1

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### III. THE WEST

*OK*

Cyprus: Communist spokesmen on Cyprus, representing a small but well-organized party with proved vote-getting ability and controlling the island's largest labor organization, have decided to cooperate with Archbishop Makarios for the present. In return, Makarios reportedly has agreed to the election of a given number of Communist-backed candidates in Cyprus' first legislature, possibly as many as a quarter of the Greek seats. Communist leaders, however, have recently followed Moscow's line by denouncing the Cyprus settlement.

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Portugal: [Premier Salazar's close associates have stated that he has recovered from his attack of pneumonia six weeks ago and is carrying a normal work load. However, he has not left his home, made any public statement, or seen any foreigners for nearly two months. Many observers believe that he will not regain the public confidence he formerly enjoyed and that, in view of the continuing discontent, his prolonged absence from official functions could encourage a move to oust him.] 25X1

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*No*

Bolivia: [New tension is being created in La Paz by the Bolivian Government's efforts to impose wage terms on striking tin miners and gradually unfreeze commissary prices in order to satisfy a requirement of the International Monetary Fund for granting further aid. This tension could erupt in renewed anti-American rioting stimulated by an article in the 16 March issue of Time which states that a US official "in rueful jest" suggested Bolivia's partition.]

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### LATE ITEMS

*HC*

USSR: [In his talk on 9 March with West German Social Democratic Chairman Ollenhauer, Khrushchev stated that if there is no progress in a foreign ministers' or summit conference, the USSR will conclude a separate peace treaty and then transfer Berlin access controls to the East Germans. He asserted that the United States, Britain, France, and "most West Germans" do not want reunification and said the USSR also prefers to keep "what we have now" because the future actions of a reunified Germany would be uncertain. Khrushchev endorsed Ollenhauer's suggestion that a military relaxation in Europe must precede any progress toward German reunification.]

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*No*

USSR - East Germany: Khrushchev has invited the East Germans to send a government and party delegation to Moscow in May, according to the communiqué issued at the end of his visit to East Berlin. The announcement now of this visit, which carries with it the implication that a separate peace treaty will then be signed, may be intended to exert further pressure on the West to accept Soviet terms for a meeting on a German treaty and Berlin.

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## I. THE COMMUNIST BLOC

### Gomulka Covers Full Range of Polish Problems in Congress Speech

Speaking at the opening session of the third Polish party congress, First Secretary Gomulka covered the full range of Polish foreign and domestic affairs. He charged the West with rejecting peaceful means of settling differences, breaking the Potsdam agreement, and dividing Germany. Backing Soviet policy on Germany and Berlin, Gomulka stressed that a separate peace treaty will be signed with the East German regime if the Federal Republic and the Western powers persist in their refusal to participate in an all-German agreement. Poland will insist on participating in all conferences on the German problem.

Poland's western border was settled at Potsdam, Gomulka declared, and the inclusion of the border question in a peace treaty would be only a formality. He characterized all efforts to woo Poland away from the USSR as attempts to undermine this settlement.

Gomulka stressed the equality and independence of all Communist parties, claiming that each party adapts its activity to the specific conditions in its country and is fully responsible for setting its own policies. He said that while the Soviet Union is the mainstay of all socialist countries and the nerve center of the world socialist system, it guides rather than directs; it does not impose its will on other parties.

The Yugoslav party was accused of adopting a revisionist program, which if followed by other parties would disrupt the unity of the socialist camp and aid the imperialists. Gomulka said the Yugoslavs will soon have to choose between returning to the Communist fold and aligning themselves with the Western Socialists.

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Chinese Nationalists Show in Reducing Offshore Islands Garrison

[The Chinese Nationalists appear reluctant to reduce the size of their armed forces on the Chinmen Islands in accord with an agreement reached last November between General Wang Shu-ming, the chief of the Nationalist general staff, and the head of the US military advisory mission to Taiwan. According to the terms of the agreement, the Nationalist forces of at least 86,000 men are to be reduced by 15,000 by the end of June. In return the United States is to improve Nationalist capabilities on the islands by supplying additional equipment, including new 10-inch howitzers and more 155-mm. guns. Thus far, the Nationalists have reported that the garrison has been reduced by 530 men, and some American observers believe that personnel strength has in fact been increased.]

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## II. ASIA-AFRICA

### Nasir Renews Attack on Communists

Events in Iraq have led UAR President Nasir to attack the activities of Communists in the Arab world, thus again bringing into question the UAR's relations with the Communist bloc. In a speech delivered in Damascus on 11 March, Nasir accused Iraqi Premier Qasim of fostering division within Arab ranks and denounced Communist "agents" in the strongest terms he has yet used. He charged Communists with deriving their inspiration from outside their native lands and acting on behalf of "the foreigner." He described his "mission" and that of the UAR as a continuing struggle on behalf of unity among Arab states to protect them from "those who covet us." He included imperialists, Zionists, and the "agents" in this category. The speech ended on a note of determination to continue on that course, "regardless of the harm which may befall us."

The earlier threat of a split between Moscow and Cairo was temporarily averted by Khrushchev's letter to Nasir on 20 February, which Nasir accepted as assurance that the USSR considered his moves against UAR Communists an internal affair. Nasir's sharply renewed attack on Arab Communists, however, is likely to make it increasingly difficult for Moscow to avoid new disagreements with Cairo, a possibility which Nasir apparently noted in concluding his Damascus speech. The speech suggests that hereafter the danger of Communism may be used to an even greater extent as a major argument to justify Cairo's efforts to retain or extend its influence in the Near East.

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Sudanese Situation

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[The danger of a clash between the Ansar tribes and the Sudanese Army has been reduced. One thousand tribesmen had come to Khartoum to protest the ouster from the government of Brigadier General Wahab, the strongest remaining adherent of the Ansar sect and Umma party. On the morning of 10 March,

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[Ansar leader Sayyid Abd al-Rahman al-Mahdi told these tribesmen to go home.]

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[The new government is handicapped by dissension, however, and additional changes appear almost inevitable. Pressure continues within the army for a still further reduction of Ansar and Umma party influence in the government. There is also strong friction in the Supreme Council between some of the senior members and the three commanders who forced their way into membership. A Cairo newspaper on 11 March carried a report from Khartoum that Prime Minister Abboud will soon resign.]

[The attitude of the government will necessarily be influenced by the leaders of the junior officers who are the real foundation of its power. Pro-Nasir Arab nationalist sentiment is strong in this group, and several of its leaders were involved in an Egyptian-supported abortive coup effort in May 1957.]

[The situation is further complicated by the maneuvering of both the Communist party and pro-Egyptian political elements to remove government restrictions on their activities and to prepare the way for their eventual inclusion in a new coalition.]

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### III. THE WEST

#### Cyprus Communists Make Deal With Makarios

The Communists on Cyprus appear to have adopted a policy of temporary collaboration with the conservative, popular Archbishop Makarios but continue to be critical of the recent Cyprus agreements, as are Communist press organs in Greece and the USSR. Andreas Ziartides, able Moscow-trained leader of the Communist-dominated Old Trade Unions and a spokesman for the far left on Cyprus, reportedly has assured Makarios that the Communists will not genuinely contest the first elections in the new republic.

Ziartides claims that his action is based solely on his desire not to disturb the recently created Cypriot unity. Communist party leaders issued a paper highly critical of the Cyprus agreements but promising to work to implement them for "the good of all the people." Makarios agreed to grant Communist-backed candidates a certain number of seats in the new legislature, possibly as many as 25 percent, but will not give them a ministerial post, [redacted]

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The Communist Reform Party of the Working People (AKEL) was proscribed in 1955 but is expected to be legalized before the first Cypriot elections. In the most recent municipal elections, held in 1953, the Communists received about 42 percent of the vote in the towns and cities of Cyprus. Mayors of three of the six largest towns on the island are Communists or fellow travelers.

The Communists, aware that the first government of Cyprus will probably be criticized for its failure to resolve the many problems it will face, may have concluded that they have more to gain at this time through a policy of watchful waiting. They can be expected to concentrate on building up their strength in preparation for the eventual conflict with Makarios and other conservative leaders. [redacted]

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Salazar Regime Seen in Weakened Position

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[High government officials and personal friends of Premier Salazar have assured the American Embassy that the premier has recovered from pneumonia contracted on 27 January and is working with his ministers. They made no mention, however, of heart disease, which had been reported to have developed. The embassy notes that Salazar has not left his house or made any public statement or received foreigners in two months.]

[The premier's supporters insist that once he is restored to full health, he will reassume the leadership which has been temporarily lacking. Most observers, however, believe that he will never regain public confidence, and some think that prolonged absence from official functions could enable those groups desiring a change of regime to combine and take action. The conviction that Salazar has outlived his usefulness is widespread among large sectors of the population and is held even among formerly fervent supporters of the regime.]

[The American Embassy has reported a growing current of thought by responsible persons that Salazar should retire and make possible an orderly transfer of power within the regime. Otherwise, these persons fear conditions will so deteriorate as to generate a popular movement, spearheaded by opposition groups, which will force him out and jeopardize the accomplishments of the regime.]

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New Tension in Bolivia

[New tension is being created in La Paz by the Bolivian Government's effort to impose wage terms on striking tin miners and gradually unfreeze commissary prices. This action must be taken to obtain further financial backing from the International Monetary Fund (IMF). The tension could erupt in renewed anti-American rioting, particularly since the 16 March issue of Time states that a US official "in rueful jest" suggested Bolivia's partition. The foreign minister believes that a new US disavowal of the statement might moderate popular reaction.]

[Renewed inflation and a deterioration of the economic situation despite a sharp rise in the tin price apparently have caused both the pro- and anti-government miners' factions to unite in wage demands. Keeping to a minimum the cost of operating the nationalized mines is important to the US- and IMF-backed economic stabilization program; the mines--which are the backbone of Bolivia's economy--operated at a loss in 1958. The government probably does not have the military strength to impose a decision on the armed miners.]

[In the past several days the government has gone out of its way to publicize the danger of a revolutionary conspiracy by the perennially plotting rightist opposition party. This tactic, probably designed to rally dissident government party members behind President Siles, has been used frequently and may have lost its efficacy.]

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Special Assistant for Security Operations Coordination

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The Director, The Joint Staff

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Chief of Staff, United States Air Force

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Assistant Chief of Staff for Intelligence, Department of the Army

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